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OLC 75-0624

26 March 1975

MEMORANDUM FOR: Chief, Services Staff

VIA : Office of General Counsel
Deputy Director for Operations
Central Cover Staff

SUBJECT : Report to Oversight Committees Regarding

[REDACTED] 25X1A

25X1A

1. In line with my discussion with [REDACTED] my reaction to the subject report follows.

2. Our four oversight committees are aware of the disposal to the extent that this is accomplished by briefing our point of contact on the staff of these committees. However, Chairman Nedzi wanted to be sure that the disposal (which conceivably might be brought to the attention of the Chairman of the House Government Operations Committee, Representative Jack Brooks (D., Texas)), paralleled as much as possible the model established in the Air Asia case, which survived close scrutiny by GAO.

3. In the Air Asia case competitive bidding, where possible, arm's length dealing, and a fair price were the three strong legs as I understand it. With respect to the attached report, the concept of competitive bidding, arm's length dealing, and fair return to the Government, is covered on page three of the report under the heading "Liquidation Sale." I believe, however, that the bulk of the words in the first paragraph give the impression of extensive competitive bidding for the [REDACTED] when this apparently is not the case. If the sales in Attachment 2 all relate to the liquidation as covered in page three of the report, there ought to be an indication of the fair market value and the price received to improve completeness and ease of grasp. In the same vein, perhaps an inventory against the valuation established by [REDACTED] of the items purchased by [REDACTED] should be set out separately.

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